

THE RHODE ISLAND CONVENTION CENTER AUTHORITY
272nd MEETING OF THE
BOARD OF COMMISSIONERS
August 26, 2004

A meeting of the Board of Commissioners of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on August 26, 2004 at 9:00 a.m. pursuant to notice, at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island. Board members present were Chairman, David A. Duffy, Commissioners, David Gavitt, Paul MacDonald, Jerry Massa, Brad Waugh, Dale Venturini, Joe Judge and George Nee. The City has not as yet appointed a replacement for Commissioner Joan Countryman. Also present were James P. McCarvill, Executive Director, Theodore J. Przybyla, RICCA; Tim Muldoon, SMG; Mark Anderson, Jeff Hartel, Westin Providence; Brian Whiting, PWCVB; Tom Mullaney, Budget Office; Joanne Sourial, The Link Agency; Andrea Stape, Providence Journal; Brian Crandall, Channel 10; Michael Corso, Cornish Associates; Bruce Leach, Legal Counsel; Jess Fisher, H.E.R.E. Local 217.and Eileen Smith, Recording Secretary.

CALL TO ORDER

Recognizing a quorum, Chairman Duffy called the meeting to order at 9:00 a.m.

APPROVAL OF MINUTES

Chairman Duffy entertained a motion to accept the minutes of the 271st meeting, July 29, 2004 as distributed. Upon a motion duly made by Mr. Massa and seconded by Mr. Gavitt it was unanimously

VOTED: to approve the minutes of the 271st meetings as distributed.

Chairman Duffy instructed the RICCA office to send the approved minutes to the Secretary of State's office via electronic mail.

OPERATIONS AND FACILITIES COMMITTEE

Chairman Duffy asked Mr. Massa to report on the Operations and Facilities Committee meeting held on Tuesday, August 24th. Mr. Massa reported that he had been unable to attend the meeting but had spoken with Mr. Anderson and had a good understanding of the progress of the hotel projects. Mr. Massa reported that the escalator project was on time and asked Mr. Anderson for his comments. Mr. Anderson stated that there has been a great deal of progress since the last meeting. He said that E.W. Burman has been very cooperative when it was necessary to limit the noise. Mr. Massa asked Mr. Muldoon to report on the progress of renovations at the Convention Center and the Parking Garage. Mr. Muldoon reported that the Parking Garage project is on time and on budget. He said that the carpeting for the ballroom has been an issue but has been

resolved and should be installed in September and October. Mr. Massa concluded his report.

Chairman Duffy thanked Mr. Massa for his report and asked Mr. Judge to present the Finance Committee report.

FINANCE COMMITTEE REPORT

Mr. Judge reported that the consolidated income from operations for the first month of the new fiscal year is \$43,174 ahead of the same period as last year and \$127,289 ahead of our fiscal year 2005 budget projection for the month of July. Mr. Judge reported that the audit was in progress and going well. Mr. Gavitt asked when the report would be available and Mr. Judge said that a draft would be presented at the September Finance Committee meeting.

MARKETING COMMITTEE

Ms. Venturini reported that the Marketing Committee had met on August 24th. She said that the committee is encouraging all of the stakeholders in the tourism industry to participate in our meetings and work together to promote Rhode Island as a destination. Ms. Venturini stated that she is looking forward to working with the PWCVB's new Vice President of Sales, Neil Shriever. Mr. Anderson reported that it was the 5th anniversary of the heavenly bed and that there would be significant advertising and public relations

surrounding the anniversary. He also was pleased to report that several golfers and members of the media will be guests of the hotel during the Duestch Bank Golf Tournament. Ms. Venturini asked Mr. Muldoon to update the Board on Convention Center marketing. Mr. Muldoon informed the Board that several groups including the Autism Society have signed contracts for their events. He reported that John McGinn and the sales team continue to negotiate with Clear Channel for the Vatican Exhibit. Mr. Muldoon said that he thinks Montreal is also being considered but he is hopeful that Providence will be the city of choice. More information will be available by the September meeting. Ms. Sourial of the Link Agency addressed the Board and noted that a timeline and list of objectives had been prepared for the Marketing Committee. She noted that she had been unable to get press coverage of the Indian Wedding recently held at the Westin because of the short notice that was given to the Providence Journal's religious editor but he was very interested. Ms. Sourial said that a story would appear at a later date. Ms. Sourial continued that the Link Agency is planning coverage of the renovated ballroom, the escalator relocation project and the Welcome Center's new look. Mr. MacDonald thanked Joanne and the Link Agency for providing a written report of their activities and plans for the facilities. Ms. Venturini encouraged the Board to participate in a FAM Tour of the Hartford Convention Center. She said that Hartford is spending a great deal of time and money targeting Providence.

DUNKIN DONUTS LIAISON COMMITTEE

Mr. Gavitt reported that the Committee had not met in July but the Authority continues discussions. Mr. Gavitt noted that Chairman Duffy had spoken to with the Speaker and that Mr. McCarvill had been asked to meet with the House Finance office indicating that something could be accomplished in the next session. Mr. McCarvill noted that we are critiquing the report completed by Ellerbee Becket and that the Legislature wants to know the economic impact of an updated Dunkin Donuts Center on the State. Mr. Duffy stated that the signals are good and we will keep working on the project.

CHAIRMAN AND EXECUTIVE DIRECTOR'S REPORT

Chairman Duffy informed the Board that Starwood and Jim McCarvill are working on finding a replacement for Mark Anderson. He stated that Jim has only interviewed one candidate and one other is scheduled. Mr. MacDonald suggested that Starwood should make more of an effort to entice qualified candidates. Mr. McCarvill stated that Mr. Anderson has done a great job for us and that he would be dividing his time between the two properties through transition. Mr. Duffy stated that it is incumbent upon the Authority to take a leadership position for the potential sale of the Westin. He assured the Board that if the money is not right or the deal is not right for the taxpayers, we will not sell. He continued that any sale would be contingent upon the construction of additional rooms on the parcel adjacent to the hotel of at least 200 rooms. Mr. Duffy noted that the

research of our consultants has shown that there are 400 – 450 potential clients that we can't even approach at the present time because we don't have enough rooms. He asked for the Board's permission to issue a flexible RFP for the sale of the hotel and development of additional rooms to gauge the market. Mr. Gavitt made a motion seconded by Mr. MacDonald to issue to issue an RFP for the sale of the Westin and development of additional hotel rooms.

Mr. Nee noted some concerns and asked that more discussion take place before voting on the motion. Mr. Nee asked if there would be some mechanism to guarantee the building of additional rooms and that those rooms will be available to support the Convention Center. Mr. Judge asked if a binding, unconditional way to make sure that the second tower would be built can be devised. Mr. Duffy said that we will need some good advice. He continued that interest rates are right, the atmosphere for hotel sales is good and the management agreement with Starwood expires in May. Mr. MacDonald asked what impact a tower would have on parking. Mr. McCarvill said that we have had several informal inquiries regarding the hotel and parking has been an issue. Mr. Duffy stated that we will not consider selling the parking garage. Mr. Gavitt asked the status of the Fogarty Building and or other sites in the City. He was informed that there are potential developers for the produce market site that have indicated that a hotel would be part of that development. As far as the Fogarty site, Mr. Mesolella still has the development rights. Mr. Corso of Cornish Associates indicated a desire to participate in the RFP process. Mr. McCarvill also noted that the Holiday Inn is working on

plans for possible expansion. Mr. Judge asked that the RFP be modified to reflect the Board's concerns. Mr. Gavitt and Mr. MacDonald agreed to amend the motion to include a guarantee that additional hotel rooms be developed with a room block commitment. It was unanimously

VOTED: to authorize the Authority is issue a flexible RFP for the sale of the Westin and the development of additional hotel rooms on the adjacent parcel, with a guarantee that the additional rooms will be built and we will be guaranteed room block commitment.

Chairman Duffy noted that we are looking for assistance with this project and we should also issue an RFP for a real estate broker or advisor. Mr. Massa asked if the broker RFP should be issued first or simultaneously with the sale and development RFP. Mr. McCarvill said that they should be advertised simultaneously. Mr. Nee asked if PKF was still our hotel consultant. Mr. McCarvill said that PKF, under the scope of services, could continue as our consultant. Mr. MacDonald said that could be a potential conflict. Mr. Massa noted that a broker makes money only if they sell the property. Mr. Judge said that he would like PKF to participate because he felt that they would protect our interest. Mr. Duffy said that we should come down heavy on the side of caution and that it is most important to have someone with expertise to represent the public interest. Upon a motion duly made by Mr. MacDonald and seconded by Ms. Venturini it was unanimously

VOTED: to issue an RFP for a Real Estate Broker/Consultant to assist the Authority in the decision making process for the sale of the hotel and the development of additional hotel rooms.

Chairman Duffy noting no further business entertained a motion to adjourn. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Gavitt it was unanimously

VOTED: to adjourn at 10:02 a.m.

For information please contact James P. McCarvill at (401) 351-4295